

Setting the Standard in Health Care Excellence

September 26, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: Approval of, and Authorization for the Health Care Agency Director or Designee to Sign, The Third Amendment to the Agreement with Island View Gastroenterology Associates for Attending Physicians and Gastroenterology Call Services, Increasing the Fee-For-Services Total Compensation Within the Existing Rates by \$64,400 for a New Contract Maximum of \$405,650 for Fiscal Year 2023-24 and by \$63,650 for a New Contract Maximum of \$404,900 for Fiscal Year 2024-25 and Thereafter, Effective October 1, 2023.

Recommendation:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the third amendment to the agreement with Island View Gastroenterology Associates for attending physicians and gastroenterology call services, increasing the fee-for-service total compensation within the existing rates by \$64,400 for a new contract maximum of \$405,650 for fiscal year 2023-24 and by \$63,650 for a new contract maximum of \$404,900 for fiscal year 2024-25 and thereafter, effective October 1, 2023.

Fiscal Impact:

Mandatory: No
Source of Funding: VCMC Operating Revenues/Collections
Funding Match Required: None
Impact on Other Departments: N/A
Summary of Annual Revenues and Costs under this agreement.

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$64,400	\$404,900
DIRECT COSTS:	\$64,400	\$404,900
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/ (Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

*The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

Table 1 below summarizes the net financial impacts of the VCMC contract:

Provider	Eff. Date	Current Contract Annual Maximum	Proposed Contract Annual Maximum	FY 23-24 Inc/<Decr>	FY 24-25 Inc/<Decr>
Island View Gastroenterology Associates	07/01/23	\$341,250	\$405,650	\$64,400	\$0
Island View Gastroenterology Associates	07/01/24	\$341,250	\$404,900	\$0	\$63,650
Total				\$64,400	\$63,650

Discussion:

The proposed amendment presented to your Board is for Island View Gastroenterology Associates, a general partnership comprised of Kip D. Lyche, M.D., Charles L. Menz, M.D., Benito A. Pedraza, M.D., Chetan Gondha, M.D., Joel A. Alpern, M.D., and Laya Nasrollah, M.D., acting through their medical corporations.

If approved by your Board, this Third Amendment will increase the current fee-for-service maximum compensation for gastroenterology procedures from \$45,900 for fiscal year 2023-24 and \$46,650 for fiscal year 2024-25 to a new maximum of \$110,300 per fiscal year. The fee-for-services rates for the procedures remain unchanged. This modification results in a \$64,400 increase in the current fiscal year and \$63,650 in future fiscal years. The cost of this increase is not included in the current fiscal year budget. It will be offset by revenue produced in the Gastroenterology Department. HCA will return to your Board for a modification in the budget for additional appropriations to cover the cost of this amendment.

This letter has been reviewed by County Counsel, the Auditor-Controller's Office, and the County Executive Office. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



JOHN FANKHAUSER, M.D.
Chief Executive Officer, County Hospitals



BARRY ZIMMERMAN
Health Care Agency Director

Attachment:

Exhibit 1 – Third Amendment to Agreement for Attending Physicians, Gastroenterology
Call Services with Island View Gastroenterology Associates